

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

HILTON HOTELS CORPORATION  
and  
BALLY'S CASINO HOLDINGS, INC.

\_\_\_\_\_  
(Registration)

TENTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 9, 1998, and before the Nevada Gaming Commission ("Commission") on December 17, 1998, at Carson City Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE  
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been  
filed:

a. The application of Hilton Hotels Corporation for an amendment to its  
Ninth Revised Orders of Registration in connection with a corporate restructuring;

b. The applications of Hilton Hotels Corporation for approval to cancel the  
stock of Bally's Intermediate Sub, Inc., for a finding of suitability as the sole shareholder of  
Bally's Grand, Inc. and Bally's Grand Management Co., Inc., for approval to cancel the stock of  
Bally's Grand Management Co., Inc., for approval to effect a disposition of the stock of Paris

Casino Corp. to Bally's Grand, Inc., for a finding of suitability as the sole shareholder of Parball Corporation, for a finding of suitability as the sole shareholder of Park Place Entertainment Corporation, for approval to effect a disposition of the stock of Parball Corporation to Park Place Entertainment Corporation, and for approval to effect a disposition of the stock of Reno Hilton Resort Corporation, Flamingo Hilton-Reno, Inc. and Las Vegas Hilton Corporation to Parball Corporation; and

c. The applications of Paris Casino Corp. for a finding of suitability as the sole shareholder of Grand Resorts, Inc., for approval to effect a disposition of the stock of Grand Resorts, Inc. to Parball Corporation and for approval to effect a disposition of the stock of Parball Corporation to Bally's Grand, Inc.

d. The applications of Bally's Intermediate Sub, Inc. for approval to cancel the stock of Bally's Sub, Inc., for a finding of suitability as the sole shareholder of Bally's Grand, Inc. and Bally's Grand Management Co., Inc., and for approval to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Hilton Hotels Corporation.

e. The applications of Bally's Sub, Inc. for approval to cancel the stock of Bally's Casino Holdings, Inc., for a finding of suitability as the sole shareholder of Bally's Grand, Inc. and Bally's Grand Management Co., Inc., and for approval to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Bally's Intermediate Sub, Inc.

f. The application of Bally's Casino Holdings, Inc. for approval to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Bally's Sub, Inc.

g. The applications of Bally's Grand, Inc. for a finding of suitability as the sole shareholder of Paris Casino Corp., for approval to effect a disposition of the stock of Grand Resorts, Inc. to Paris Casino Corp., for a finding of suitability as the sole shareholder of Parball

Corporation and for approval to effect a disposition of the stock of Parball Corporation to Hilton Hotels Corporation.

h. The applications of Park Place Entertainment Corporation for registration as an intermediary company, for a finding of suitability as the sole shareholder of Parball Corporation and for approval to issue stock to Hilton Hotels Corporation.

i. The applications of Parball Corporation for a finding of suitability as the sole shareholder of FHR Corporation and LVH Corporation, for approval to cancel the stock of Reno Hilton Resort Corporation, Flamingo Hilton-Reno, Inc. and Las Vegas Hilton Corporation, and for licensure to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, dba Bally's Las Vegas at 3645 Las Vegas Boulevard South, Las Vegas.

j. The application of FHR Corporation, dba Reno Hilton Resort, for licensure to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 2500 East Second Street, Reno, and for licensure as a manufacturer and distributor.

k. The application of FHR Corporation, dba Flamingo Hilton Reno, for licensure to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 255 North Sierra Street, Reno.

l. The application of LVH Corporation, dba Las Vegas Hilton, for licensure to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3000 Paradise Road, Las Vegas, and for licensure as a manufacturer and distributor.

2. THAT the Ninth Revised Orders of Registration of Hilton Hotels Corporation and Bally's Casino Holdings, Inc., dated October 22, 1998, are hereby amended and restated, in their entirety, by these Tenth Revised Orders of Registration, subject to the provisions of Paragraph 41.

3. THAT Hilton Hotels Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Park Place Entertainment Corporation, Bally's Grand, Inc., Bally's Grand Management Co., Inc. and Parball Corporation.

4. THAT Hilton Hotels Corporation has been approved to acquire control of Bally's Grand, Inc. pursuant to NGC Regulation 16.200, has been found suitable to beneficially own more than 10% of the voting securities of Bally's Grand, Inc. pursuant to NRS 463.643, and has been found suitable as a controlling shareholder of Bally's Grand, Inc.

5. THAT Hilton Hotels Corporation is found suitable, pursuant to NRS 463.643, to beneficially own more than 10% of the voting securities of Bally's Casino Holdings, Inc.

6. THAT Hilton Hotels Corporation is found suitable, pursuant to NGC Regulation 16.400, as a controlling shareholder of Bally's Casino Holdings, Inc.

7. THAT Hilton Hotels Corporation is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to cancel the stock of Bally's Intermediate Sub, Inc. and Bally's Grand Management Co., Inc., to effect a disposition of the stock of Paris Casino Corp. to Bally's Grand, Inc., to effect a disposition of the stock of Parball Corporation to Park Place Entertainment Corporation and to effect a disposition of the stock of Reno Hilton Resort Corporation, Flamingo Hilton-Reno, Inc. and Las Vegas Hilton Corporation to Parball Corporation.

8. THAT Hilton Hotels Corporation is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulation 15.585.7-2, to effectuate a disposition of the stock of Flamingo Hilton Corporation to Parball Corporation.

9. THAT Hilton Gaming Corporation is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulation 15.585.7-2, to effectuate a disposition of the stock of Flamingo Hilton Corporation, Las Vegas Hilton Corporation, Reno Hilton Resort Corporation, and Flamingo Hilton-Reno, Inc. to Hilton Hotels Corporation.

10. THAT Flamingo Hilton Corporation is hereby granted approval, pursuant to NRS 463.510(1), to effectuate a disposition of the stock of Flamingo Hilton-Laughlin, Inc. to Parball Corporation.

11. THAT Paris Casino Corp. is registered as an intermediary company and is found suitable as the sole shareholder of Grand Resorts, Inc.

12. THAT Paris Casino Corp. is hereby granted approval pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to effect a disposition of the stock of Grand Resorts, Inc. to Parball Corporation and to effect a disposition of the stock of Parball Corporation to Bally's Grand, Inc.

13. THAT Bally's Intermediate Sub, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Bally's Grand, Inc., Bally's Grand Management Co., Inc. and Bally's Sub, Inc.

14. THAT Bally's Intermediate Sub, Inc. is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to cancel the stock of Bally's Sub, Inc., and to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Hilton Hotels Corporation.

15. THAT Bally's Sub, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Bally's Grand, Inc., Bally's Grand Management Co., Inc. and Bally's Casino Holdings, Inc.

16. THAT Bally's Sub, Inc. is approved, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to cancel the stock of Bally's Casino Holdings, Inc. and to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Bally's Intermediate Sub, Inc.

17. THAT Bally's Casino Holdings, Inc. is registered as a publicly traded corporation, is found suitable to be the sole stockholder of Bally's Grand Management Co., Inc. and Bally's Grand, Inc. and is approved to cancel the common stock of Bally's CHLV, Inc.

18. THAT Bally's Casino Holdings, Inc. is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to effect a disposition of the stock of Bally's Grand, Inc. and Bally's Grand Management Co., Inc. to Bally's Sub, Inc.

19. THAT Bally's Grand, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Paris Casino Corp., Parball Corporation and Grand Resorts, Inc.

20. THAT Bally's Grand, Inc. is hereby granted approval, pursuant to NRS 463.510(1) and NGC Regulations 8.030 and 15.585.7-2, as applicable, to effect a disposition of the stock of Grand Resorts, Inc. to Paris Casino Corp. and to effect a disposition of the stock of Parball Corporation to Hilton Hotels Corporation.

21. THAT Bally's Grand, Inc. is granted approval, pursuant to NRS 463.510(1), to pledge the common stock of Grand Resorts, Inc. to First Bank National Association, as trustee, solely in connection with the Bally's Grand, Inc. 10 3/8% First Mortgage Notes due 2003 (Series A and Series B), pursuant to the fully executed Pledge Agreement dated March 1, 1994, provided that the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interest in Grand Resorts, Inc. stock (except back to Bally's Grand, Inc.), or before any other resort to the Grand Resorts, Inc. common stock collateral or other enforcement of the security interests in the Grand Resorts, Inc. common stock, may occur. The common stock certificates of Grand Resorts, Inc. evidencing said stock pledge shall at all times remain physically within the State of Nevada and shall immediately be made available for inspection by agents of the Board upon request during normal business hours.

22. THAT Bally's Grand, Inc. is granted approval, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter agreement not to encumber, the common stock of Grand Resorts, Inc., solely in connection with the Bally's Grand, Inc. 10 3/8% First Mortgage notes due 2003 (Series A and Series B).

23. THAT Park Place Entertainment Corporation is registered as an intermediary company and is found suitable as the sole shareholder of Parball Corporation.

24. THAT Park Place Entertainment Corporation is approved, pursuant to NGC Regulation 15.585.7-1, to issue stock to Hilton Hotels Corporation.

25. THAT Parball Corporation, dba Bally's Las Vegas, is registered as an intermediary company and is found suitable as the sole shareholder of FHR Corporation, LVH Corporation, and Flamingo Hilton-Laughlin, Inc.

26. THAT Parball Corporation is approved, pursuant to NRS 463.510(1), to cancel the stock of Reno Hilton Resort Corporation, Flamingo Hilton-Reno, Inc. and Las Vegas Hilton Corporation.

27. THAT Parball Corporation, dba Flamingo Hilton Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3555 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

28. THAT Parball Corporation, dba Bally's Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3645 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

29. THAT FHR Corporation, dba Reno Hilton Resort, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 2500 East Second Street, Reno, subject to such conditions or limitations as may be imposed by the Commission.

30. THAT FHR Corporation, dba Flamingo Hilton Reno, is licensed to conduct

off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 255 North Sierra Street, Reno, Nevada, subject to such conditions or limitations as may be imposed by the Commission; provided that, the license issued to Flamingo Hilton-Reno, Inc. to conduct gaming at the Flamingo Hilton Reno is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking the Flamingo Hilton Reno at 241 North Virginia Street and 255 North Sierra Street, and further, that said pedestrian walkway be open and accessible to the public during all times that gaming is conducted upon the premises of the Flamingo Hilton Reno.

31. THAT FHR Corporation is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

32. THAT LVH Corporation, dba Las Vegas Hilton, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3000 Paradise Road, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

33. THAT Flamingo Hilton-Laughlin, Inc., dba Flamingo Hilton-Laughlin, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 1900 Casino Drive, Laughlin, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

34. THAT William Barron Hilton is found suitable as a controlling shareholder of Hilton Hotels Corporation.

35. THAT Bally's Grand Management Co., Inc. is licensed as a manager for Bally's Grand, Inc.

36. THAT Hilton Hotels Corporation shall maintain a Compliance Committee whose composition is satisfactory to the Board. Said Compliance Committee shall administer the



Internal Reporting System, and shall have other duties as more fully described in Exhibit "A," which is attached to these Revised Orders of Registration and incorporated herein by reference. Hilton Hotels Corporation shall hereafter make such amendments to the Compliance Committee and Internal Reporting System specifications and duties as may be required by the Chairman of the Board or his designee and perform such duties as may be assigned by the Chairman of the Board or his designee related to a review of activities relevant to the continuing qualification of Hilton Hotels Corporation under the provisions of the Nevada Gaming Control Act and Nevada Gaming Commission Regulations. The Internal Reporting System, any amendments thereto, and the members of the Compliance Committee shall be administratively reviewed and approved by the Chairman of the Board, or his designee.

37. THAT Hilton Hotels Corporation shall fund and maintain with the Board a revolving fund in the amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of these Tenth Revised Orders of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Hilton Hotels Corporation and Bally's Casino Holdings, Inc., their subsidiaries and any affiliated entities.

38. THAT pursuant to NRS 463.625, Hilton Hotels Corporation and Bally's Casino Holdings, Inc. are hereby exempted from compliance with NRS 463.585(1), (2), (5), (6), and (7), and NRS 463.595 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

39. THAT Hilton Hotels Corporation and Bally's Casino Holdings, Inc. are hereby exempted from compliance with NGC Regulation 15, except for the provisions of NGC Regulations 15.585.3-1, 15.585.3-2 and 15.585.4-1, and shall instead comply with NGC Regulation 16.

40. THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

41. THAT these Tenth Revised Orders of Registration shall become effective upon the completion and effectiveness of the transactions described in Subsections 1(b) through 1(g). If such transactions are not completed and effective by February 1, 1999, unless administratively extended by the Chairman of the Board or his designee, then these Tenth Revised Orders of Registration shall be rendered null and void and shall not become effective and the Ninth Revised Orders of Registration shall remain effective.

ENTERED at Carson City, Nevada, this 17th day of December 1998.

#### EXHIBIT A

- I. The duties of the Compliance Committee shall be subject to further modification and administrative approvals by the Board and shall be, as a minimum, as follows:
  - (a) To meet annually with the Board or its staff in Nevada or Queensland, Australia, to review major developments affecting Hilton Hotels Corporations and its affiliates over the preceding year and its compliance with any conditions imposed by the Commission;
  - (b) To assure that the Board has access to any requested records maintained by Hilton Hotels Corporation and its affiliates;
  - (c) To assure that all requested copies including, but not limited to, annual audited financial statements on the Queensland operations have been timely filed with the Board;
  - (d) To meet quarterly for the purpose of reviewing the activities of Hilton Hotels Corporation and its affiliates and to thereafter provide a report, certified pursuant to NGC Regulation 10.120, which shall include: a statement of any business association with any person found to be unsuitable; a statement regarding all material civil litigation instituted against it or its affiliates; a statement of any formal criminal charges which have been filed against any director, officer or key employee of it or its affiliates; a statement regarding any formal allegations or charges by an officer of any government that Hilton Hotels Corporation, any affiliate thereof, or any director, officer or key employee thereof, has been or is in violation of any law; a statement regarding any significant changes in the combined financial position of it or its affiliates; and such other information from time to time as may be requested by the Board or Commission.
  - (e) To conduct such other reviews and investigations and to make such reports as from time to time may be requested by the Board or Commission.

- II. The Internal Reporting System shall be designed to monitor activities of Hilton Hotels Corporation and its affiliates, to identify and thus avoid objectionable associations. Said System and any amendments thereto shall be subject to the administrative approval of the Board. The Compliance Committee shall be responsible for the administration of the System and shall meet at least once each quarter to review the reports of the System and take whatever action is deemed necessary. Minutes of the meetings shall be incorporated into the reports required pursuant to I(d) above.